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SERVICE DATE - FEBRUARY 23, 2004

DO

FR-4915-01-P

DEPARTMENT OF TRANSPORTATION

Surface Transportation Board

[STB Finance Docket No. 34395]

City of Peoria, IL, d/b/a Peoria, Peoria Heights & Western Railroad—Construction of
Connecting Track Exemption—in Peoria County, IL

The City of Peoria, IL, d/b/a Peoria, Peoria Heights & Western Railroad (PPHW), has filed a verified notice of exemption under 49 CFR 1150.36 to construct approximately 1,800 feet of track in Peoria, Peoria County, IL, over land that it owns or over which it has an easement for railroad purposes. The track to be constructed will connect a 1.9-mile segment of track that the City of Peoria (the City) purchased from Union Pacific Railroad Company (UP) with an 8.29-mile segment of track known as the Keller Branch that the City acquired from the Chicago, Rock Island & Pacific Railroad Company (Rock Island).

The former UP segment connects at its west end with a UP main line that extends in a generally north-south direction between Nelson, IL, and St. Louis, MO. It was acquired by the City in 2001 and there are no active shippers currently located on that segment.

The former Rock Island segment was acquired by the City in 1984 from the Rock Island Trustee. It connects at its east end with a rail line of the Peoria & Pekin Union Railway Company (P&PU). P&PU initially operated the segment pursuant to a lease from the City. Thereafter, the Village of Peoria Heights, IL, acquired a 25-percent interest in the segment,

which was referred to under the doing-business designation of PPHW. In 1998, Pioneer Industrial Railway Co., the current operator, began operations over the segment pursuant to an assignment of P&PU's lease from the City (consented to by the Village of Peoria Heights). There are three active shippers located on the segment, two of which are located near its northwestern end and one of which is located near its southeastern end.

After the proposed construction of connecting trackage is completed, the two shippers located near the northwestern end of the segment will be served from the west by DOT Rail Service, Inc., or its designee under an operating agreement with the City¹ and the shipper located near the southeastern end of the segment will be served from the southeast by the same or a different rail operator. Service over the approximately 7.5 miles of the segment that is no longer required to serve shippers will be discontinued and the right-of-way used for a recreational trail.² The trail would be supervised by the Peoria Park District, and would connect the Pimetoui Trail at the Peoria riverfront with the Rock Island Trail near Alta, IL.

Construction is proposed to begin no earlier than 90 days after the filing of this notice of exemption.

PPHW has certified that it has complied with the Board's environmental rules at 49

¹ No part of the line that would continue to be operated would be located in the Village of Peoria Heights.

² The City recognizes that Board authority or an exemption must be obtained for discontinuance of rail service over the line.

CFR Part 1105, and with the pre-filing notice requirements of 49 CFR 1150.36(c)(1).

The Board's Section of Environmental Analysis (SEA) has approved PPHW's request to submit a Preliminary Draft Environmental Assessment in lieu of the environmental and historic reports required under 49 CFR 1105.7 and 1105.8. SEA has also granted a waiver of the 6-month pre-filing notice generally required for construction projects under 49 CFR 1105.10(a)(1). Under 49 CFR 1150.36(c)(3), SEA will generally issue an environmental assessment (EA) 15 days after the Federal Register notice, here by March 9, 2004. However, under 49 CFR 1150.36(c)(10), a stay of the effective date may be issued if an informed decision on environmental issues cannot be made prior to March 9, 2004. Interested persons may obtain a copy of the EA by writing to SEA (Room 500, Surface Transportation Board, Washington, DC 20423-0001) or by calling SEA, at (202) 565-1539. [Assistance for the hearing impaired is available through the Federal Information Relay Service (FIRS) at 1-800-877-8339.] Comments on environmental and historic preservation matters must be filed within 30 days after the EA becomes available to the public.

On completion of the environmental review, the Board will issue a decision addressing those matters and making the exemption effective at that time, if appropriate, subject to any necessary conditions, thereby allowing construction to begin.

This exemption will be effective on May 3, 2004, unless stayed. Petitions to stay that

do not involve environmental issues must be filed by March 4, 2004.³ Petitions for reconsideration must be filed by March 15, 2004, with the Surface Transportation Board, 1925 K Street, N.W., Washington, DC 20423-00001.

If the verified notice contains false or misleading information, the exemption is void ab initio. Petitions to revoke the exemption under 49 U.S.C. 10502(d) may be filed at any time. The filing of a petition to revoke will not automatically stay the transaction.

An original and 10 copies of all pleadings, referring to STB Finance Docket No. 34395, must be filed with the Surface Transportation Board, 1925 K St., N.W., Washington, DC 20423-0001. In addition, a copy of each pleading must be served on Thomas F. McFarland, 208 South LaSalle St., Suite 1890, Chicago, IL 60604-1112.

Board decisions and notices are available on our website at “WWW.STB.DOT.GOV.”

³ The Board will grant a stay if an informed decision on environmental issues (whether raised by a party or by SEA in its independent investigation) cannot be made before the exemption’s effective date. See Exemption of Out-of-Service Rail Lines, 5 I.C.C.2d 377 (1989). Any request for a stay should be filed as soon as possible so that the Board may take appropriate action before the exemption’s effective date.

Decided: February 13, 2004.

By the Board, David M. Konschnik, Director, Office of Proceedings.

Vernon A. Williams

Secretary